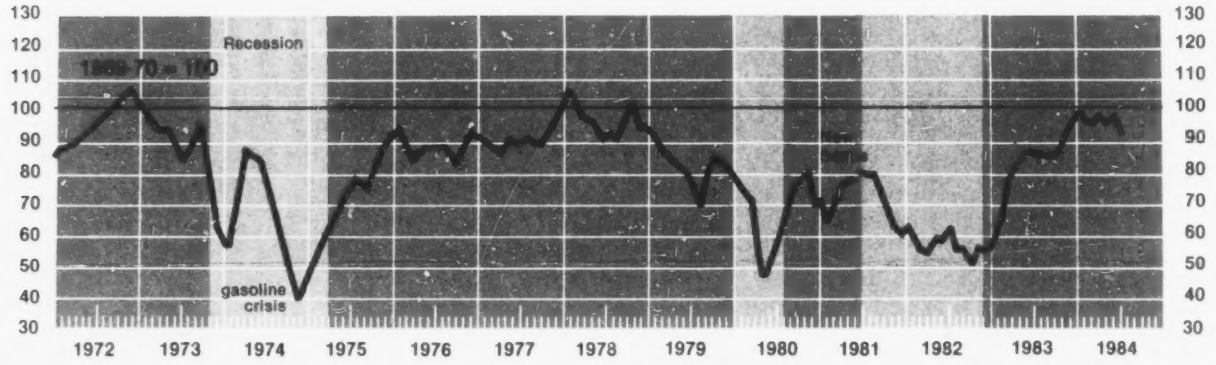
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

August, 1984



CONSUMER LESS CONFIDENT BUYING PLANS MUCH LOWER

Consumers were less optimistic in July than they were in June. The Board's Confidence Index (1969-1970 = 100) dropped to 91.0, a loss of a full 6 points for the month. Buying plans, which had registered a sharp rise in June, tumbled in July.

In assessing current conditions, more consumers than last time now believe business is "bad." There has also been a small increase in those who complain that jobs are "hard to get." However, on balance, while the consumers' view of the current scene is less optimistic than a month earlier, it is still quite positive.

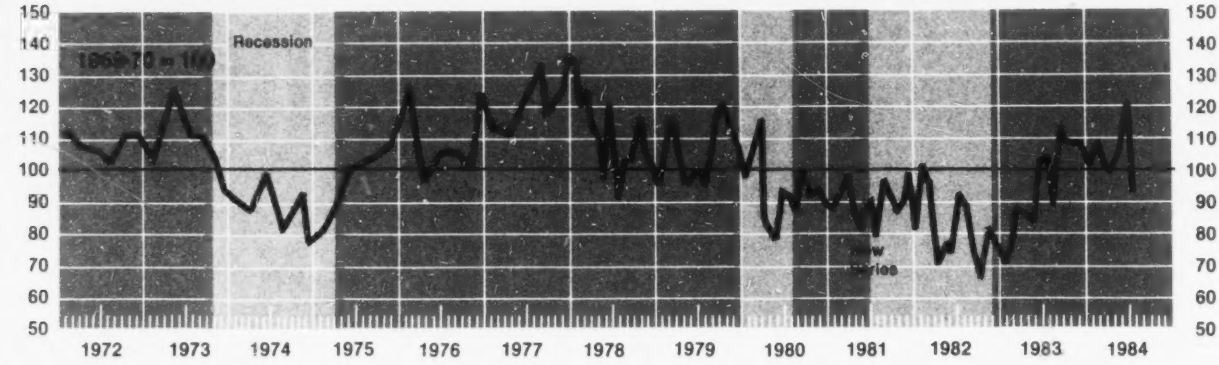
There is also some indication of growing concern in anticipating developments over the next 6 months. The measure of their expectations has been, in fact, declining almost steadily since registering a peak reading in January. The sustained decline of this series—which has an extremely good record of foreshadowing events—suggests that the economic growth rate will be more subdued in the months ahead than in the recent past. Based on the history of this series, growth in the third quarter is likely to be in the range of 5 percent.

Buying plans are down for all items included in the survey. Plans to buy an automobile dropped to 7.6% in July from a long-time high of 10% in June. Interest in homes, too, registered a sizable loss. Only 3% of respondents said they would make such a purchase in the next six months, down from 3.8% in the preceding probe. Similarly, intentions to buy a major appliance, which had been up sharply in June, gave back all of the gain and then some in July.

The most recent message from consumers strongly suggests that the rather unnervingly rapid economic growth of recent months is now subsiding to a more reassuring pace. Consumers have become more subdued in their views of present conditions, in their expectations, and in their intentions to spend. All this suggests that the high-flying business recovery of recent months finally appears to be coming in for a soft landing. This should quiet recent fears that we might be moving into a boom-bust episode, or a new era of rapid inflation.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households 100%

All series seasonally adjusted	1983 July	Aug.	Sept.	Oct.	Nov.	Dec.	1984 Jan.	Feb.	Mar.	Apr.	May	Jun.(r)	July(p)
Appraisal of Present Situation: Percent													
Business Conditions													
Good	15.9	16.5	18.3	19.4	20.2	23.9	24.7	25.5	25.4	26.9	26.6	26.8	26.9
Bad	32.2	33.5	31.0	30.8	27.5	23.9	21.8	23.0	20.4	19.9	19.8	18.2	19.9
Normal	50.9	50.0	50.7	49.8	52.3	52.2	53.5	51.5	54.2	53.2	53.6	55.0	53.3
Employment													
Jobs plentiful	6.8	7.4	7.7	7.4	9.5	9.8	11.4	14.0	13.1	15.3	15.6	19.1	17.4
Jobs not so plentiful	45.9	48.6	48.5	49.3	50.4	51.2	50.4	49.6	51.9	48.9	51.2	50.7	49.8
Jobs hard to get	47.3	44.0	43.8	43.3	40.1	39.0	38.2	36.4	35.0	35.8	33.2	30.2	32.8
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	36.6	32.7	30.1	30.1	31.2	32.8	33.1	28.7	26.4	27.4	22.3	23.3	22.0
Worse	6.6	6.6	6.8	6.7	6.1	5.2	3.9	5.8	6.1	5.8	6.9	7.6	8.6
Same	56.8	60.7	63.1	63.2	62.7	62.0	63.0	65.5	67.5	66.8	70.8	69.1	69.4
Employment													
More jobs	28.9	26.6	24.5	24.8	25.6	25.9	25.7	21.4	20.6	20.2	17.8	17.1	16.2
Fewer jobs	13.0	12.1	13.1	13.8	11.9	10.6	10.6	11.9	12.1	11.4	12.2	13.3	15.6
Same	58.1	61.3	62.4	61.4	62.5	63.5	63.7	66.7	67.3	68.4	70.0	69.6	68.2
Income													
Increase	28.7	26.0	28.3	31.1	28.3	31.1	32.4	27.3	26.1	30.6	27.6	29.3	29.3
Decrease	8.9	8.8	8.6	7.6	7.8	7.7	7.3	6.3	7.2	6.8	6.2	6.1	7.7
Same	62.4	65.2	63.1	61.3	63.9	61.2	60.3	66.4	66.7	62.6	66.2	64.6	63.0
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.8	7.2	9.1	9.0	9.3	8.7	8.4	8.8	8.8	8.5	8.2	10.0	7.6
New	4.1	3.4	5.1	5.3	5.1	4.9	5.1	4.9	4.7	3.9	4.3	5.1	4.6
Used	2.7	2.4	3.6	3.3	3.4	3.3	2.5	3.4	3.0	3.0	3.2	3.3	2.3
Uncertain	1.0	1.4	0.4	0.4	0.8	0.5	0.8	0.5	1.1	1.6	0.7	1.6	0.7
Home													
Yes	3.3	3.0	3.8	3.6	3.6	3.6	3.4	3.8	3.3	3.1	3.7	3.8	3.0
New	1.1	0.8	1.3	1.0	1.2	1.2	1.0	0.9	0.8	0.9	1.0	1.3	1.0
Lived in	1.3	1.5	1.7	1.9	1.6	1.5	1.4	2.0	1.6	1.4	1.7	1.6	1.3
Uncertain	0.9	0.7	0.8	0.7	0.8	0.9	1.0	0.9	0.9	0.8	1.0	0.9	0.7
Major appliances													
Total plans	29.2	23.8	30.6	29.2	26.5	29.8	26.7	27.3	27.4	26.9	27.1	33.5	24.9
Refrigerator	4.7	3.4	4.1	3.4	3.5	3.7	3.2	3.6	3.6	3.7	3.9	5.0	3.9
Washing machine	3.5	2.7	4.0	3.3	3.6	3.6	3.4	4.0	3.8	3.2	3.6	4.0	2.9
Black and white TV	0.7	0.9	1.1	1.0	0.7	1.2	0.9	0.8	0.9	1.1	0.8	1.3	0.8
Color TV	7.6	6.1	8.2	8.0	7.5	8.2	7.8	7.0	7.5	7.7	7.0	8.4	6.1
Vacuum Cleaner	5.0	4.1	5.2	5.6	4.4	5.2	4.1	4.8	4.1	4.8	4.2	6.0	5.1
Range	2.8	2.3	2.6	2.6	2.4	2.7	2.6	2.6	2.9	2.3	2.4	3.0	2.2
Clothes dryer	3.4	2.8	3.1	3.1	2.7	3.3	2.8	2.9	2.6	2.7	3.2	3.3	2.6
Air conditioner	1.5	1.5	2.3	2.2	1.7	1.9	1.9	1.6	2.0	1.4	2.0	2.5	1.3
Carpet	6.7	6.9	8.2	7.1	8.1	7.4	6.5	7.3	7.2	5.9	6.8	8.5	6.2
Vacation Intended Within Six Months: Percent													
Vacation Intended		47.2		49.8		48.5		45.8		46.9		49.4	
Destination													
Home state		9.9		10.5		10.3		8.8		8.7		9.9	
Other state		32.8		33.5		33.4		32.0		32.8		34.9	
Foreign country		6.2		7.0		6.5		6.2		7.6		6.7	
Means of Travel													
Automobile		31.5		31.3		30.4		29.9		29.8		33.0	
Airplane		15.5		17.1		17.9		15.4		18.6		17.6	
Other		3.6		4.1		3.6		3.5		3.8		3.9	

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request.

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.